

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
400 Academy Street
Springville, Iowa 52336

RECEIVED & INSPECTED

DEC 6 - 2006

FCC - MAILROOM

Administrative Office
319-854-6197

Secondary School
319-854-6196

Elementary School
319-854-6195

Oran R. Teut, Superintendent
Stacey Matus, Bd. Sec./Bus. Mgr.
Tammy Martin, Supt.'s Sec./Off. Asst.

Mel Mysak, Secondary Principal
Margaret Buonadonna, Guidance, K-12

Shane Boeve, Elementary Principal
Marilyn Jackson, SI Facilitator K-12
Ben Halupnik, Student Facilitator, K-12

Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

November 30, 2006

RE: APPEAL (REQUEST FOR REVIEW) the decision made by the USAC, letters dated November 7, 2006 and November 8, 2006. CC Docket No. 96-45 and CC Docket No. 02-6

Applicant: Springville Community School
Entity Number: 132576
Form 471 #: 392975
Funding #: 1076162
Contact: Oran R. Teut, Superintendent oteut@springville.k12.ia.us Fax: 319-854-6199.

On November 7, 2006, we received a letter from the USAC that our appeal, funding request number 1076162 was denied. I am enclosing a copy of that decision. As it was stated in our original appeal, someone at the USAC changed the service category to Internet Access --- the USAC even admitted this in our denial letter (fifth sentence from the bottom which I underlined*). I am also enclosing a copy of our appeal letter dated March 27, 2006.

On November 8, 2006, we also received a 'demand payment letter.' The funding received by the School District was in the form of discounts, not cash payments. Obviously, we are appealing this request as well. I'm enclosing a copy of that letter as well.

Since taking over this program for the school district, I have always followed the rules and regulations and the applications filed in the past. We have never asked for internet access because it does not include internet content. The truth is that Grant Wood AEA pays for the internet content so we have always filed for telecommunications services because of the high speed data line provided through the Iowa ICN.

Therefore, we have asked for a "clarifying letter" from the Iowa ICN explaining our situation and we submit that letter as the meat of our appeal to the USAC decisions rendered. See letter enclosed. After reviewing this information, we ask that you reverse the "denial of our original appeal and rule in favor of the Springville School District."

Sincerely,



Oran R. Teut, Superintendent

Enclosures: 4

No. of Copies rec'd 0
List ABOVE



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2004-2005

November 07, 2006

Oran R. Teut
Springville Community School District
400 Academy Street
Springville, IA 52336-9657

Re: Applicant Name: SPRINGVILLE COMM SCHOOL DIST
Billed Entity Number: 132576
Form 471 Application Number: 392975
Funding Request Number(s): 1076162
Your Correspondence Dated: March 27, 2006

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2004 Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1076162
Decision on Appeal: **Denied**
Explanation:

- After a thorough review of the appeal and all relevant supporting documentation, it was determined that during the Program Integrity Assurance Review, you cited Form 470 (Application number: 622860000473175) as the establishing Form 470 for your funding request. Although you assert the funding request is for Telecommunications, the bill you provided clearly states "Internet Only" and includes "News Service Subscription." Therefore, the service category was changed to Internet Access. The establishing Form 470 does not post for Internet Access. Since the services for which you sought funding were not properly posted to the website for competitive bidding, the commitment has been rescinded in full. You failed to provide evidence on appeal that the SLD has erred in its decision.

- On your Form 471 you indicated that Form 470 #622860000473175 is the establishing Form 470 for the services requested. This Form 470 does not include the category of service requested on the funding request, which is a violation of the competitive bidding requirements of the support mechanism. Therefore, your appeal is denied.
- FCC rules require that all products and services for which an applicant requests discounts on an FCC Form 471 must be competitively bid on an FCC Form 470. The Form 470 must include a complete description of the services for which discounts are sought, be posted on the web site for 28 days, and applicants must carefully consider all bids received before selecting a vendor, entering into an agreement or signing a contract, and signing and submitting a Form 471. 47 C.F.R. §§ 54.504, 54.511(a) and (c). These competitive bidding requirements help to ensure that applicants receive the lowest pre-discount price from vendors. See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rcd. 10095, FCC 97-246, p. 10098 ¶ 9 (rel. Jul. 10, 1997). The only exceptions to the posting requirement are for: (1) contracts signed on or before July 10, 1997 for the life of the contract; and (2) contracts signed between July 10, 1997 and before January 30, 1998 (the date on which the web site became operational) for products and/or services provided through June 30, 1999. 47 C.F.R. § 54.511(c) and (d).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
400 Academy Street
Springville, Iowa 52336

Administrative Office
319-854-6197

Oran R. Teut, Superintendent
Laurie Howe, Bd. Sec./Bus. Mgr.
Jill Hopkins, Treas./Off. Asst.
Kim Lentz, Supt.'s Secretary

Secondary School
319-854-6196

Mel Mysak, Secondary Principal
Norma Dodd, K-12 Guidance/Counselor

Elementary School
319-854-6195

Shane Boeve, Elementary Principal
Wanda Steuri, Curr. Director, K-12
Ben Halupnik, CSIP/Facilitator, K-12

Appeal of the Commitment Adjustment Decision:

March 27, 2006

Springville Community School District
400 Academy St.
Springville, Iowa 52336
Oran Teut, Superintendent

Phone: 319-854-6197 Fax: 319-854-6199
E-mail: oteut@springville.k12.ia.us

This is an APPEAL of the Notification of Commitment Adjustment Letter ...dated March 10, 2006:

Form 471 Application Number:	392975
Funding Year:	2004
Applicant's Form Identifier:	471#A04
Billed Entity Number:	132576
FCC Registration Number:	11838273
Funding Request Number:	1076162 (source of my appeal)
SPIN #:	143003005
SPIN Name:	State of Iowa, Iowa Telecommunication & Technology Commission

My specific appeal deals with your change to "internet access" verses what was applied for which was "telecommunications services." We are appealing the statement, "Service category was changed during PIA review due to documentation support indicated I should be IA." The original Form 470 asked for "telecommunication services" NOT "internet access" and therefore, there was NO violation of program rules.

The attached documentation will substantiate our case: (note the highlighted sections)

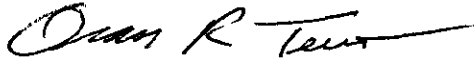
1. USAC eligible services list – telecommunications includes a T1 line.
2. Response for clarification on Form 470, Dec. 2005.
3. Form 486 notification – for telecommunications.
4. Quarterly E-Rate Payment Report – for telecommunications, not internet.
5. Form 486, notification of approved funding by USAC/SLD. See highlighted areas.
6. Form 471, see page 5 --- "telecommunications" NOT internet access.
 - 6A. Item 21 attachments.
 - 6B. See block #5.

7. E-Rate bid for telecommunications, T1 line.
8. Notification of Form 470 received.
9. Form 470 --- see highlights, Block 2 -- telecommunications, T1 line.

Somewhere along the way, someone at USAC/SLD changed our request for "telecommunications services", which includes a T1 line (permissible) to internet access which is NOT what we were asking for. *The change from telecommunications to internet access was made without my permission and against my wishes. Our applications over the years have been pretty simple and consistent with the program rules and regulations.

I am also enclosing a copy of the "Funding Commitment Adjustment Report that was sent to me. This is the information we are basing our appeal upon. It is clearly marked item #10. We encourage you to change your prior decision on this issue.

Thank you,



Oran R. Teut, Superintendent
400 Academy St.
Springville Community School District
Springville, Iowa 52336



Schools & Libraries Division

Demand Payment Letter

Funding Year 2004: 7/01/2004 - 6/30/2005

November 8, 2006

**Oran Teut
SPRINGVILLE COMM SCHOOL DIST
400 ACADEMY ST
SPRINGVILLE, IA 52336 9657**

**Re: Form 471 Application Number: 392975
Funding Year: 2004
Applicant's Form Identifier: 471#A04
Billed Entity Number: 132576
FCC Registration Number: 0011838273
SPIN Name: State of Iowa, Iowa Telecommunication & Techn
Service Provider Contact Person: Paula Schultz**

You were previously sent a Notification of Commitment Adjustment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Funding Commitment Adjustment Report (Report) attached to the Notification of Commitment Adjustment Letter. A copy of that Report is attached to this letter. Immediately preceding the Report, you will find a guide that defines each line of the Report.

The balance of this debt is due within 30 days from the date of this letter. Failure to pay the debt within 30 days from the date of this letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." Please see the "Informational Notice to All Universal Service Fund Contributors, Beneficiaries, and Service Providers" at <http://www.universalservice.org/fund-administration/tools/latest-news.aspx#083104> for more information regarding the consequences of not paying the debt in a timely manner.

If the Schools and Libraries Division (SLD) has determined that both the applicant and the service provider are responsible for a program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), the SLD will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If the SLD has determined that both the applicant and the service provider are responsible for a program rule violation, this was indicated in the Funding Commitment Adjustment Explanation on the Funding Commitment Adjustment Report.

If the SLD is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with your service provider to determine who will be repaying the

debt to avoid duplicate payment. Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Applicant" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

If sending payment by U. S. Postal Service or major courier service (e.g. Airborne, Federal Express, and UPS) please send check payments to:

Universal Service Administrative Company
1259 Paysphere Circle
Chicago, IL 60674

If you are located in the Chicago area and use a local messenger rather than a major courier service, please address and deliver the package to:

Universal Service Administrative Company
Lockbox 1259
540 West Madison 4th Floor
Chicago, IL 60661

Local messenger service should deliver to the Lockbox Receiving Window at the above address.

Payment is due within 30 days from the date of this letter.

Complete program information is posted to the SLD section of the USAC web site at www.universalservice.org/sl/. You may also contact the SLD Technical Client Service Bureau by e-mail using the "Submit a Question" link on the SLD web site, by fax at 1-888-276-8736 or by phone at 1-888-203-8100.

Universal Service Administrative Company
Schools and Libraries Division

cc: Paula Schultz
State of Iowa, Iowa Telecommunication & Technolog

A GUIDE TO THE FUNDING COMMITMENT ADJUSTMENT REPORT

A report for each E-rate funding request from your application for which a commitment adjustment is required is attached to this letter. We are providing the following definitions for the items in that report.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each individual request in your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.

SERVICES ORDERED: The type of service ordered from the service provider, as shown on Form 471.

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support mechanisms. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the applicant and the service provider. This will be present only if a contract number was provided on your Form 471.

BILLING ACCOUNT NUMBER: The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a. This number will only be present for "site specific" FRNs.

ORIGINAL FUNDING COMMITMENT: This represents the original amount of funding that SLD had reserved to reimburse you for the approved discounts for this service for this funding year.

COMMITMENT ADJUSTMENT AMOUNT: This represents the amount of funding that SLD has rescinded because of program rule violations.

ADJUSTED FUNDING COMMITMENT: This represents the adjusted total amount of funding that SLD has reserved to reimburse for the approved discounts for this service for this funding year. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.

FUNDS DISBURSED TO DATE: This represents the total funds that have been paid to the identified service provider for this FRN as of the date of this letter.

FUNDS TO BE RECOVERED FROM APPLICANT: This represents the amount of improperly disbursed funds to date as a result of rule violation(s) for which the applicant has been determined to be responsible. These improperly disbursed funds will have to be recovered from the applicant.

FUNDING COMMITMENT ADJUSTMENT EXPLANATION: This entry provides an explanation of the reason the adjustment was made.

Funding Commitment Adjustment Report
Form 471 Application Number: 392975

Funding Request Number:	1076162
Services Ordered:	INTERNET ACCESS
SPIN:	143003005
Service Provider Name:	State of Iowa, Iowa Telecommunication & Technology Commissio
Contract Number:	MTM
Billing Account Number:	
Site Identifier:	132576
Original Funding Commitment:	\$1,709.05
Commitment Adjustment Amount:	\$1,709.05
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$1,490.40
Funds to be Recovered from Applicant:	\$1,490.40

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review it was determined that your Form 470 did not include the service for which you sought funding in your Form 471 application, which is a violation of the FCC's competitive bidding rules. Service category was changed during PIA review due to the documentation support indicated it should be IA. Changing the service category back to TS is not supported by documentation submitted by the applicant during additional review. FCC rules require that except under limited circumstances, all eligible schools and libraries shall seek competitive bids for all services eligible for support. Since the services for which you sought funding were not properly posted to the website for competitive bidding, the commitment has been rescinded in full and SLD will seek recovery of any disbursed funds.

**PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING**

IOWA TELECOMMUNICATIONS & TECHNOLOGY COMMISSION

Thomas J. Vilsack
GOVERNOR

Betsy Brandsgard
CHAIRPERSON

Pamela A. Duffy
Robert R. Hardman

Timothy L. Lapointe
Michael W. Mahaffey

David A. Vaudt

Sally J. Pederson
LT. GOVERNOR



11-22-2006

To whom it may concern:

I'm sorry this took so long, but I had to drive into Des Moines yesterday to dig out the paper copies of the records that were stored in the ICN warehouse. Here is what I have found.

The Springville CSD filed for a monthly total of \$285.95 for telecommunication services for the FY 2004.

From 6/1/2003 thru 7/15/2003 these services included and ICN T1 Internet Port @ \$164/mo, ICN T1 Internet PVC @ \$100/mo., and ICN News Subscription Service @ \$8.33/mo. The ICN T1 Internet Port in reality is just a T1 port and the ICN Internet PVC was just a Frame Relay T1 back to AEA 10.

On 7/1/2006 they school system upgraded to a 1.5 MB Ethernet PVC Aggregating to the AEA 10. So from 7/1/2006 and 7/15/2006 they had both a Frame Relay T1 and an 1.5 MB Ethernet PVC Aggregated to The AEA 10.

The Monthly charges for the 1.5 MB Ethernet PVC, from 7/1/2003 thru 6/30/2004, are Aggregated 1.5 MB Pipe \$90, ICN Ethernet Port \$180, and ICN News Service \$8.33.

Springville CSD has never been an Internet Services customer of the ICN. The AEA 10 is our customer. They then distribute Internet access to the schools that they serve thru either Frame Relay T1s or Ethernet PVCs.

Hopefully this explains the charges billed to the Springville School System.

If you have questions please contact me directly.

Thanks.

Steve Schwier ICN SDE
Office phone: 712-243-4693
Cell phone: 712-250-0485
Email: steve.schwier@iowa.gov